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Testimony before the Appropriations Committee Response to the Governor's November 24th Deficit Mitigation Plan

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Good afternoon Senator Harp, Representative Geragosian, and Committee Members. My name is Jude Carroll; I am the Director of the Connecticut KIDS COUNT Project at the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit organization that works to end poverty and to engage, equip, and empower all families in Connecticut to build a secure future.

The state of Connecticut is caught in a fiscal land slide that is predicted to last for several more years, with each successive year taking us deeper into the red. By the time families, businesses, and the state emerge from this devastation, our surroundings will look quite different from how they do today. Connecticut is one of the wealthiest states in the country; but we apparently aren't one of the most humane. Legislators have the opportunity now to correct the inequities found in Governor Rell's mitigation proposal as well as those in our tax system. We hope that as you consider the Governor's plan, you consider the loss of federal dollars currently associated with the proposed cuts. Losses of this kind will cause even greater harm to the populations served.

Reconsider Revenue Increases

CAHS, as a lead organization in the Better Choices for Connecticut Coalition, asks you to take a step back and reconsider alternatives other than program cuts to correct the state deficit. Four remedies are most important. Connecticut lawmakers should:

- Roll back the estate tax threshold raised earlier this year;
- Close individual and corporate tax loopholes;
- Implement combined reporting; and
- Increase the personal income tax on households earning more than \$250,000.

Maintain Services for Low-Income Families and Economic and Workforce Development

As we review the Governor's mitigation plan, it is clear that this current attempt to reduce the deficit is being placed on the backs of the least prepared to withstand them. In doing so, it does not appear that the Governor is taking into consideration the public health and fiscal impact that will result from these reductions in service.

Among some of the most egregious are:

- Freezing intake to SAGA which would create an untenable situation for many poor adults who are ineligible for medical insurance from other sources. In October, it was determined that enrollment for the program had reached 43,000 individuals. Freezing intake contradicts plans to apply for a federal waiver to match SAGA spending.
- Changes to the HUSKY A and B programs and Medicaid will affect almost half a million people—children, adults, and the elderly. Proposed cuts will not only create greater usage of emergency interventions, they will result in lost federal revenue to the state.
- Reducing School-based Health Clinics by 25 percent will reduce access to needed health care for many children in low-income families. As we chip away (pun intended) at the HUSKY program and as job loss continues in the state, this safety net should be maintained as currently funded.
- Reducing the AIDS Services Account and the Needle and Syringe Exchange Program both by 25 percent. For many, the HIV/AIDS population is invisible. Those who work in the field of prevention predict increasing costs in long-term health care with these reductions.
- Reducing funding by 25 percent for housing and homeless services.
- Suspending funding for the Connecticut Youth Employment Program. At the Speaker's Children in the Recession Task Force public hearing held on December 5th, a number of youth spoke about their inability to find employment. These are not young adults who have parental income to sustain them, but individuals who are living on their own, some without access to any safety net. We should not leave disconnected youth to fend for themselves, particularly when they are a focus of federal stimulus workforce funding.

As noted in an op-ed piece published in *The Hartford Courant* on December 1, 2009 by the former Secretary of the Office of Policy and Management, former legislator, and a former CAHS Board member, Bill Cibes, the Governor's cuts also would reduce Connecticut's investment in economic development and innovation. Before eliminating \$16 million from the Biomedical Research Trust Fund and the Stem Cell Research Fund—both components of the innovative platform needed for Connecticut to compete with other states and countries—other budget reductions and revenue solutions must be considered.

Create a Blue Ribbon Panel of Experts to Develop a Long-term Balanced Budget and Revenue Plan

Connecticut policymakers in the Executive and Legislative branches must move away from a reactive response to this continuing fiscal crisis by developing a long-term plan of attack. With the creation of a blue ribbon committee made up of economists, workforce analysts, representatives from small and large business and the nonprofit sector, policymakers could tap the best minds in the state to determine a balanced mix of economic corrections. The work of the Commission on Enhancing Agency Outcomes provides one component of this needed effort.

Connecticut needs to test the impact of counter-cyclic measures, such as increased investment in workforce education and training and innovation in research and development and technology. Proposals by other states and national groups may provide solutions that have not been considered. Connecticut policymakers must make every effort to find ways to balance our budget with the least amount of harm to our most vulnerable populations, opportunities for families to achieve financial security, and the most potential to stabilize and even grow our long-term economic health.

Thank you for this opportunity to testify before you today.